

PATENT COOPERATION TREATY

Applicants : Philip J. Leeming et al.
Int'l Application No. : PCT/AU2003/001646
U.S. Application No. : 10/538,249
Int'l Filing Date : December 9, 2003
Title : COMPOUNDS AND COMPOSITIONS FOR USE AS FOAMING OR
FROTHING AGENTS IN ORE AND COAL FLOTATION

Docket No. : 470044.406USPC

Date : April 13, 2006

Mail Stop PCT
Commissioner for Patents
PO Box 1450
Alexandria, VA 22313-1450

PETITION TO ACCEPT APPLICATION WHEN ONE OF THE JOINT INVENTORS
REFUSES TO SIGN OR CANNOT BE REACHED UNDER 37 C.F.R. §1.47(a)

Commissioner for Patents:

Pursuant to 37 C.F.R. §1.47(a), Huntsman Corporation Australia Pty Ltd ("Huntsman") hereby petitions to file the above-referenced application on behalf of and as agent for a joint inventor, Philip J. Leeming ("Mr. Leeming"), who has refused to execute an Assignment to Huntsman and a Declaration for the above-referenced application. A Declaration and Assignment signed by the other joint inventors, Stewart J. Knight, Salvatore Lazzaro, Jeffrey R. Aston and David H. Parris, are enclosed.

In February 2006, Mr. Leeming notified Stewart J. Knight at Fuchs Lubricants (Australiasia) Pty Ltd ("Fuchs") of his refusal to sign the application papers for the above-referenced application, which is U.S. National Stage Application of International Application No. PCT/AU2003/001646, filed December 9, 2003, absent further financial compensation from

Fuchs in exchange for his cooperation. As set forth in the enclosed Declaration of Stewart J. Knight, Deputy Managing Director of Fuchs, Mr. Leeming made the invention that is the subject matter of the above-referenced application (the "Invention") during his period of employment, and in the ordinary course of his duties of employment, at Fuchs. Accordingly, as set forth in the enclosed Declaration of Rodney Malcolm De Boos, an Australian lawyer, pursuant to Australian common law, Fuchs owns the entire right, title and interest in and to the Invention, and Mr. Leeming is under an obligation to assign the Invention to Fuchs. Mr. Leeming's subsequent refusal to execute the application papers, including the Declaration and Assignment, is in clear violation of this obligation.

In addition, also enclosed is a copy of a Deed of Acknowledgement between Fuchs and Huntsman, showing that Fuchs has assigned the entire right, title and interest in and to the Invention (which was originally disclosed in Australian Patent Application No. 2002953252) to Huntsman. Accordingly, Huntsman has filed the above-referenced patent application on behalf of the joint inventors, as authorized by the joint inventors, to preserve Huntsman's rights in the Invention.

To the best of Huntsman's knowledge, the last known mailing address for Mr. Leeming is the following:

60 Rembrandt Drive
Mereweather Heights
New South Wales
AUSTRALIA 2291

The following attachments set forth the pertinent facts and documents as required under 37 C.F.R. §1.47(a) and show that such action is necessary to preserve the rights of the parties or to prevent irreparable damage.

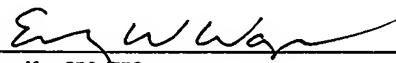
1. A Declaration of Rodney Malcolm De Boos, an Australian lawyer and a partner of Davies Collison Cave, stating that Mr. Leeming is under an obligation to assign the Invention to Fuchs pursuant to Australian common law.

2. A copy of the Deed of Acknowledgment, dated November 1, 2003, between Fuchs and Huntsman, whereby Fuchs and Huntsman acknowledged and agreed to the terms therein.

3. A Declaration of Stewart J. Knight, Deputy Managing Director of Fuchs, setting forth the pertinent facts regarding Mr. Leeming's refusal to execute the application papers.

Applicants hereby respectfully request the granting of a Notice of Acceptance of Application and a Filing Receipt upon filing the Response to Notification of Missing Requirements.

Respectfully submitted,
Philip J. Leeming et al.
Seed Intellectual Property Law Group PLLC



Emily W. Wagner
Registration No. 50,922

EWV:cew

Enclosures:

Declaration of Rodney Malcolm De Boos
Copy of Deed of Acknowledgement
Declaration of Stewart J. Knight

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PATENT COOPERATION TREATY

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Int'l Application No. : PCT/AU2003/001646
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Int'l Filing Date : December 9, 2003
Title : COMPOUNDS AND COMPOSITIONS FOR USE AS FOAMING OR
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Docket No. : 470044.406USPC

Date : March 29, 2006

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Commissioner for Patents
PO Box 1450
Alexandria, VA 22313-1450

DECLARATION OF RODNEY MALCOLM DE BOOS IN SUPPORT OF
PETITION UNDER 37 C.F.R. §1.47(a)

Commissioner for Patents:

I, Rodney Malcolm De Boos, hereby declare:

1. I am an Australian lawyer and a partner of Davies Collison Cave and am familiar with Australian common law relevant to this matter.
2. Pursuant to Australian common law, an employer owns the entire right, title and interest in and to any inventions made by employees of the employer during their period of employment, and in the ordinary course of their duties of employment, at the employer.

3. Attached hereto is a copy of an extract from LexisNexis Butterworths "Patents, Trade Marks and Related Rights" by Dufty and Lahore. This extract summarises the law in Australia in relation to employers' rights to inventions made by their employees and identifies the pertinent case law in this area.

I further declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further, that these statements were made with the knowledge that the making of willfully false statements and the like is punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and may jeopardize the validity of any patent issuing from this patent application.

29 March 2006

Date

Rodney Malcolm De Boos

Rodney Malcolm De Boos

Lahore
**PATENTS, TRADE MARKS &
RELATED RIGHTS**

Ann Dufty

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VOLUME 1 — COMMENTARY

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Notes

1. In *Vitamins Australia Ltd v Beta-Carotene Industries Pty Ltd* (1987) 9 IPR 41 the full court of the Supreme Court of Western Australia held that the reference to "outstanding property" in s 46(1) of the Companies (Western Australia) Code included patents which had not been assigned before a company was deregistered.
2. See *Re Taylor's Agreement Trusts* (1904) 21 RPC 713 per Buckley J.
3. See for example *In the matter of Dutton's Patent* (1928) 40 RPC 84 and the cases referred to there.
4. On the limited obligation of the person holding the patent in such circumstances see *Vitamins Australia Ltd v Beta-Carotene Industries Pty Ltd* (1987) 9 IPR 41.

[22,010C] Bankruptcy

If a patentee is declared bankrupt any patent which he or she owns vests in the trustee in bankruptcy. The trustee is then the person entitled to exercise the rights vested in the patentee by the Act.

This may have important implications as illustrated by the decision in *Re Application by Reilly*.¹

Mr Reilly sought an extension of time within which to pay a renewal fee claiming that he had been unable to pay the fee on the due date because he was bankrupt. The deputy commissioner questioned whether Mr Reilly was entitled to make the application but assumed for the purposes of determining the matters before him that he was. However he went on to hold that bankruptcy was not a matter beyond the control of the patentee so that no extensions could be allowed under s 223(2)(b).

He also held that no extension could be allowed under s 223(2)(a). The person entitled to exercise rights over the patent at the crucial date was the trustee in bankruptcy. There was no evidence that failure to renew was due to error or omission on his part and what evidence there was in fact suggested that he had made a positive decision not to pay the renewal fee. The patent therefore lapsed for non payment of fees.

Notes

1. *Re Application by Reilly* (1995) 32 IPR 555 (AIPC).

Employees

[22,017] Entitlement under the 1990 Act

The only persons to whom a patent may be granted under the 1990 Act are set out in s 15(1). That subsection provides:

- (1) Subject to this Act, a patent for an invention may only be granted to a person who:
 - (a) is the inventor; or
 - (b) would, on the grant of a patent for the invention, be entitled to have the patent assigned to the person; or
 - (c) derives title to the invention from the inventor or a person mentioned in paragraph (b); or
 - (d) is the legal representative of a deceased person mentioned in paragraph (a), (b) or (c).

The Patents Act contains no provision dealing expressly with the circumstances in which the employer is entitled to the grant of a patent for an invention made by an employee. The entitlement of an employer to the grant of a patent for an invention made by an employee can only arise under s 15(1)(b), in cases where the employer would, on

the grant of a patent, be entitled to take an assignment of the patent.¹ These cases are not governed by the Patents Act but by common law and equitable principles. There is no rule that an invention made by an employee is inevitably the property of the employer.² The question is whether the invention was made by the employee in the course of the employee's employment; is it an invention that it was the employee's job to invent.³

The general principle was stated by Lord Reid in *Patchett v Sterling Engineering Co Ltd*:

... No doubt the respondent was the inventor and in the ordinary case the benefit of an invention belongs to the inventor. But at the time when he made these inventions he was employed by the Appellant as their Chief Designer and it is, in my judgment, inherent in the legal relationship of master and servant that any product of the work which the servant is paid to do belongs to the master. I can find neither principle nor authority for holding that this rule ceases to apply if a product of that work happens to be a patentable invention. Of course, as the relationship of master and servant is constituted by contract, the parties can, if they choose, alter or vary the normal incidents of the relationship, but they can only do that by express agreement or by an agreement which can be implied from the facts of the case.⁴

Whether the employer's claim will be upheld depends on an analysis of all the terms on which the employee is employed and, in the absence of contract, express or implied, the employer must be able to prove a right enforceable against the employee because the employee holds on a constructive trust for the benefit of the employer where there is a breach of a fiduciary obligation owed by the employee to the employer.

Notes

1. *Spencer Industries Pty Ltd v Collins* (2003) 58 IPR 425; [2003] FCA 542 at [10]. See also *Stack v Brisbane City Council* (1999) 47 IPR 525 at 539-540. Who can be granted a patent is discussed at [8030].
2. *Spencer Industries Pty Ltd v Collins*, fn 1 above, at [67]; *Victoria University of Technology v Wilson* (2004) 60 IPR 392 at [104]; [2004] VSC 33, Nettle J. For further discussion see [22,020].
3. *Ibid.*
4. (1955) 72 RPC 50 at 58 (HL). Cited by Branson J in *Spencer Industries Pty Ltd v Collins*, fn 1 above, at [67].

[22,020] Employee's obligations

Under contract

It is often very difficult to draw a distinction between a person who performs duties as an employee and one who is properly described as an independent contractor.

These days, the old fashioned distinction between a contract of service (employee) and a contract for services (independent contractor) makes very little sense because the principal distinction between the two was the degree of control exercised by the person for whom the work was done. If the work was carried out under the *direction and control of another* there was an assumption that the work was performed as an employee.

However, the increasing sophistication of the work force has meant that "direction and control" is of little assistance in determining whether a person is an employee. The notion of an employer directing and controlling the work of a sophisticated research team makes particularly little sense and the courts have therefore had to devise other means to assist them in drawing a distinction between employees and others. The extent of the direction and control exercised may be a factor which will be relevant in deciding whether a person is an employee or not but in the context of entitlement to the benefits of an invention it is unlikely to be decisive.

Even the slightly more modern tests based on regular remuneration, holiday pay and entitlement to superannuation will never be decisive because in many instances the law now directs that a person carrying out work for another be treated as an "employee" even if on any of the usual tests he or she would be regarded as an independent contractor.

However, a decision as to whether a person is entitled to claim the benefit of an invention made by another *because* that person was an employee when the invention was made will require an examination of the entire relationship between the parties.

It is sometimes argued that the mere fact that an invention is made in the course of an employee's employment is said to entitle the employer to claim the benefit of any invention.

The rationale for this approach is the assumption that a term to this effect *should* be implied into a contract of service so that any invention made in the course of employment is treated as the property of the employer unless there is an express term in the contract to the contrary.

This approach is well illustrated by the decision of the House of Lords in *Sterling Engineering Co Ltd v Patchet*.¹

In that case Viscount Simonds said:

It is true enough that the rule that inventions made by an employee belong to the employer is sometimes spoken of as an implied term of the contract of service. In a sense, no doubt, it is an implied term in that it is not written out in the contract of service, but it is a term which, given the conditions which are here present, namely, inventions made by the employee in the course of his employment which it was part of his duty to make, the law imports into the contract. It appears to me that it is only an implied term in the same sense that it is an implied term, though not written at large, in the contract of service of any workman that what he produces by the strength of his arm or the skill of his hand or the exercise of his inventive faculty shall become the property of the employer. If the employment is of a designer that which he designs is thus the property of the employer which he alone can dispose of. If it is patentable it is for the employer to say whether it shall be patented, and he can require the employee to do what is necessary to that end. And if it is patented in their joint names, the employee holds his interest as trustee for the employer . . .²

But the mere existence of the employer/employee relationship does not give the employer ownership of inventions made by the employee during the term of the employment.

The law in Australia was stated by Nettle J (Supreme Court of Victoria) in *Victoria University of Technology v Wilson*³ in a dispute between the university and two senior academic staff over ownership of an invention made by the staff members (citations omitted):

{103} It was next submitted for the university that even if the Intellectual Property Policy were not in force or were not binding as a term of employment, it was enough to make the invention the property of the university that Professor Wilson and Dr Feaver had made extensive use of the university's time and resources in development of the invention. Reference was made to a number of authorities in support of the principle that one is to have regard to all the circumstances of a case in order to determine whether an invention has been so much made in the course of employment as to belong to the employer, and it was said that there was here just so much use of university time and resources that one had to conclude that the invention belonged to the university.

{104} I do not think that is correct. The law is well settled upon the position of an officer or employee who makes an invention affecting the business of his or her employer. It is an implied term of employment that any invention or discovery made in the course of the employment of the employee in doing that which he is engaged and instructed to do during the time of his employment, and during working hours, and using the materials of his employers, is the property of the employer and not of the employee. Having made a discovery or invention in course of such work, the employee becomes a trustee for the employer of that invention or discovery, and

he is therefore as a trustee bound to give the benefit of any such discovery or invention to his employer. But the mere existence of the employer/employee relationship will not give the employer ownership of inventions made by the employee during the term of the relationship. And that is so even if the invention is germane to and useful for the employer's business, and even though the employee may have made use of the employer's time and resources in bringing the invention to completion. Certainly, all the circumstances must be considered in each case, but unless the contract of employment expressly so provides, or an invention is the product of work which the employee was paid to perform, it is unlikely that any invention made by the employee will be held to belong to the employer.

The critical question is what is the employee employed to do. As was stated by the Delegate of the Commissioner in *Spencer Industries Pty Ltd v Collins*:⁴

It is very material to see what is the nature of the inventor's position in regard to the business, and it may be a term of his employment, apart altogether from any express covenant, that any invention or discovery made in the course of the employment of the employee in doing that which he was engaged and instructed to do during the time of his employment, and during working hours, and using the materials of his employers, should be the property of the employers and not of the employee, and that, having made a discovery or invention in the course of such work, the employee becomes a trustee for the employer of that invention or discovery, so that as a trustee he is bound to give the benefit of any such discovery or invention to his employer.

The matter will of course be much more easily resolved if there is a written contract between the parties defining their relationship. This is an excellent reason for those utilising the services of others in circumstances where inventions may be made or are the intended outcome of work performed, to ensure that their expectations are clearly understood and the subject of an express contract.

However, a claim by an employee to the benefit of an invention made while employed may be inconsistent with the contractual duty of good faith which an employee owes to his or her employer.⁵ An employee may be treated as holding a patent relating to an invention made during employment on trust for the employer so that the employer is entitled to the benefit of it, or the employer might be entitled to recover damages for the loss suffered.⁶

Alternatively an employer may argue that the invention belongs to the employer and that the employee is under an obligation to ensure that any patent granted is granted in the name of the employer.

*Kwan v Queensland Corrective Services Commission*⁷ is a recent case which illustrates the problems which a decision maker may have to resolve. Kwan and Le Sand had obtained a petty patent. When they sought an extension of the term the application was opposed by the commission on the ground inter alia that the patentees were not entitled to the benefit of the patent. At the time when the invention was made both patentees were inmates of the Wacol Correctional Centre in Queensland. Kwan worked as a clerk in the kitchen, Le Sand worked in the poultry farm area. The invention was for a method of laminating vegetable matter which retained the colour and shape of the matter treated. The process is particularly useful in making greeting cards.

The commission argued that the inventors had made their invention in the course of carrying out directed duties for which an allowance was paid. They were therefore "employees" and the commission was entitled to the invention.

The hearing officer rejected the commission's claims and found that Kwan and Le Sand were not employees and that they were entitled to the benefit of the petty patent.

There is, however, little consistency in the cases. The courts take account of all of the circumstances of the case and no single factor will be conclusive. There are however a

number of factors which may be helpful in determining whether the employer can claim the benefit of an invention made by an employee.

In *Worthington Pumping Engine Co v Moore*⁸ Byrne J said that he thought the degree of good faith owed by Moore to the plaintiff in this case was equivalent to that owed by a partner to a firm of which he was a member. In reaching this conclusion his Lordship was influenced by the fact that Moore had been a vice president of the company, he was employed at a high rate of remuneration, he was paid a commission and he was involved in constant communications with the plaintiff in relation to improvements and alterations to the product to suit the English market. He was, in other words, clearly treated by the plaintiff as an important, trusted employee. He summarised the nature of Moore's position and obligations in the following way:

I do not think I shall be wrong in saying that the defendant was in effect the alter ego of the plaintiff corporation outside the United States. The correspondence which has been referred to in the case shows that the relationship between the plaintiff corporation in America and the defendant as their agent and manager in England was of the closest and most confidential character. The requirements of customers and the methods of meeting new wants and demands was the subject of frequent communications between them, and I think it is beyond question that it was part of the defendant's duty to communicate and consult with the head office about any modifications and alterations in constructions required to suit the demands of the customers, and to offer such suggestions as might occur to him as advantageous to the plaintiff corporation in relation to the business he controlled. I think that he would not have been acting in accordance with the good faith implied in his contract had he kept back new ideas or details of construction suggested or carried out in the ordinary course of business between the parties (even though such ideas or details might have been in the hands of a third person properly subject matter for a patent) with a view to his personal profit at the expense of the plaintiff corporation. It appears to me that the degree of good faith due from the defendant to the plaintiff corporation was little, if at all, less than that required from a partner towards the firm of which he is a member.⁹

A similar approach leading to a very different result was adopted in *Charles Selz Ltd's Application*.¹⁰

The employee in this case was the manager of a factory in which lampshades were manufactured. In the course of his work he attended a trade exhibition at which he saw a demonstration of a process for packaging which involved spraying plastic. The manager realised that the process could be used to create a framework for displaying articles and signs. It was also possible that it could be used to make lampshades.

When he sought to patent his invention his employer sought a declaration that any patent granted would be held on trust for it.

The application was refused. Lloyd-Jacob J found that the employee had not at any time been directed to apply his mind in an inventive manner and he was under no express duty to find additional scope for his employer's activities.

It is not easy to explain the different results in the *Worthington Pumping* case and the *Charles Selz* case. In both cases the employee was a senior officer of the company and in both cases there was a clear link between the subject matter of the invention and the work undertaken by the employee.

The decision of Whitford J in *Electrolux Ltd v Hudson*¹¹ provides an example more consistent with the approach taken in *Worthington Pumping* case. The first defendant was employed as a senior storekeeper by the plaintiff company. He and his wife devised an adaptor for use in vacuum cleaners which made it possible for any open mouthed bag to be used to catch dust. They applied for a patent for their invention and subsequently assigned the invention to the third defendant.

Electrolux claimed that all of its employees were subject to its standard conditions of employment for staff and that pursuant to those terms it was entitled to the invention made by Hudson and his wife.

His Lordship dismissed the claims based on the special terms and conditions but he was then pressed to find against Hudson on the ground that Hudson owed an obligation of good faith and fidelity to Electrolux and he had breached that obligation. Whitford J accepted that such an obligation was owed by Mr Hudson to Electrolux but found that he had not breached it.

Mr Hudson was a storeman. He was not expected to make inventions of benefit to his employer. The invention was made in Mr Hudson's home and he made no use of the facilities and materials of Electrolux.

Fiduciary duty

Fiduciaries must not put themselves in a position where their interest and duty conflict and fiduciaries who profit as a result of their position or from an opportunity or knowledge resulting from it must hold any benefit or gain as constructive trustee. In *Victoria University of Technology v Wilson*¹² Nettle J (Supreme Court of Victoria) held that professional employees, in that case a university professor and a senior lecturer, owed to the university fiduciary obligations not to profit from their position at the expense of the university and to avoid conflict of interest and duty. To avoid liability a full disclosure was necessary and consent of the employer.¹³ Nettle J drew parallels between the contractual duty of fidelity and loyalty to the employer and an employee's fiduciary duty (citations omitted).¹⁴

[144] I have mentioned already that in the law of contract the extent of an employee's duty of fidelity and loyalty to his employer is dependant upon the facts of the case. A manual worker, for example, is paid a small amount for the hours that he works — not for the hours in which he is not at work — and the law is jealous of attempts to impose on a manual worker restrictions of which the real effect would be to prevent him using his spare time as he chooses. On the other hand a chief executive officer of a listed public company may be paid an immense amount to guide the fortunes of the company. In such a case I dare say that the law would not hesitate long in recognising restrictions upon the way in which he or she might use their spare time on affairs other than those of the company and that it should not hesitate long in conceiving of a substantial devotion of time to extra-curricular activities as a breach of implied contractual obligation.

[145] The same is true of fiduciary duties, although it is necessary to distinguish between an employee's contractual duty of good faith and loyalty and such if any fiduciary duty as he or she may owe to their employer. Some employees, particularly senior employees, do owe fiduciary duties to their employers. But others do not. The scope of an employee's fiduciary duties to the employer depends as much as anything upon the nature and terms of the employment. "The fiduciary relationship, if it is to exist at all, must accommodate itself to the terms of the contract so that it is consistent with "and conforms to" them. The fiduciary relationship cannot be superimposed upon the contract in such a way as to alter the operation which the contract was intended to have according to its true construction.

In determining whether the fiduciary obligations owed by an employee to his or her employer requires the employee to forego any claim to the benefit of the invention, the courts may take into account the following:

- the position of the employee in the organisation;
- whether the invention was made during or outside working hours;
- whether the facilities and materials of the employer were used;
- whether confidential information controlled by the employer was used in making the invention;
- the level of remuneration paid to the employee;

- the extent to which the duties of the employee prompted the invention or provided access to the wherewithal to make it;
- whether the employee acted with the intention of harming his or her employer.¹⁵

Notes

1. *Sterling Engineering Co Ltd v Patchet* [1955] AC 534.
2. *Ibid.*, at 543-4.
3. *Victoria University of Technology v Wilson* (2004) 60 IPR 392; [2004] VSC 33 at [103]–[104] (Nettle J).
4. Referred to by Branson J in *Spencer Industries Pty Limited v Collins* [2003] FCA 542 at [67].
5. *Robb v Green* [1895] 2 QB 315.
6. *Edisonia Ltd v Furze* (1908) 25 RPC 546.
7. *Kwan v Queensland Corrective Services Commission* (1994) 31 IPR 25.
8. *Worthington Pumping Engine Co v Moore* (1902) 20 RPC 41 at 46.
9. See also *Barrington Products (Leicester) Ltd v King* [1958] RPC 212.
10. *Charles Selz Ltd's Application* (1954) 71 RPC 158.
11. *Electrolux Ltd v Hudson* [1977] FSR 312.
12. *Victoria University of Technology v Wilson* (2004) 60 IPR 392 at [149].
13. *Ibid.*
14. *Ibid.*, at [144]–[145].
15. A person employed to work as a research chemist will almost certainly be treated differently from a storeman. See for example *Triplex Safety Glass Co v Scorah* (1938) 55 RPC 21; *Hivac Ltd v Park Royal Scientific Investments Ltd* [1946] Ch 169. For the position of senior academic staff, see *Victoria University of Technology v Wilson* (2004) 60 IPR 392; [2004] VSC 33.

[The next page is 22,137]

[22,040] Course of employment

Any decision as to whether a particular act took place in the course of a person's employment must involve an examination of the entire relationship between the employer and the employee. This will include an analysis of the nature and content of the employee's duties and a decision as to whether the invention was made by the employee while carrying out those duties. Some judges have summed up the test as being whether it was the employee's "job to invent".¹ In *Adamson v Kenworthy*² the employee was an engineering draftsman. When his employer instructed him to prepare a design, he was obliged:

... to prepare the best design for the purpose that he can, and if he has any ingenuity or any inventive ability, to exercise that ingenuity and that inventive ability in order to give effect to the instructions that he has received ... In my judgment it is part of his duty, and part of that which he is paid to do, to produce ... the best design that he is capable of producing.³

However even if a court finds that an employee was expected to perform certain duties it will still have to determine the nature and extent of those duties.⁴ As has been noted above, even if an invention was made in the employer's time, or with his or her materials, or has been used in his or her business, that will not necessarily entitle the employer to claim ownership.⁵

In determining whether an invention was made in the course of an employee's employment it is therefore relevant to consider the extent to which the employee was responding to the directions of the employer, the nature of the duties which he or she was employed to perform and the extent to which the invention might be said to be derived from the performance of those duties.⁶

Notes

1. See for example *Spencer Industries Pty Ltd v Collins* [2003] FCA 542; *Edisonia Ltd v Forse* (1908) 25 RPC 546; *Adamson v Kenworthy* (1932) 49 RPC 57 at 68; *Sterling Engineering Co Ltd v Patchet* [1955] AC 534 at 543-4; *Triplex Safety Glass Co Ltd v Scora* (1935) 55 RPC 21; [1938] Ch 211; *British Celanese Ltd v Moncrieff* [1948] 1 Ch 564; [1948] 2 All ER 44; *Aneeta Window Systems (Vic) Pty Ltd v K Shugg Industries Pty Ltd* (1996) 34 IPR 95.
2. *Adamson v Kenworthy* (1932) 49 RPC 57 at 68.
3. Per Farwell J at 68 and see also *British Reinforced Concrete v Lind* (1917) 34 RPC 101.
4. *Harris' Patent* [1985] RPC 19 at 30. See generally, *Victoria University of Technology v Wilson* (2004) 60 IPR 392; [2004] VSC 33 at [110]-[140].
5. *Victoria University of Technology v Wilson* (2004) 60 IPR 392 at [103]-[106]; *Mellor v William Beardmore & Co* (1927) 44 RPC 175; *Worthington Pumping Engine Co v Moore* (1902) 20 RPC 41 at 48. In *Harris' Patent* [1985] RPC 19, a case decided under the 1977 Act, it was held that Mr Harris' primary duty was to sell valves and to use his specialist knowledge of valves to deal with problems experienced by his employer's customers. His duty was to report problems for consideration by his employer or their suppliers. Accordingly it was held that it was not part of his duties to provide solutions or to invent an improved valve. This was so even though he was the manager of his employer's valve department when he made the invention. See also *Anemostat (Scotland) Ltd v Michaelis* [1957] RPC 167; *Vokes Ltd v Heather* (1945) 62 RPC 135 (CA).
6. See for example *Spencer Industries Pty Ltd v Collins* (2003) 58 IPR 425; [2003] FCA 542.

[22,045] Express terms

In view of the unpredictability of the outcome of claims based on an assertion that all inventions made in the course of an employee's employment belong to the employer, or that the employee is under a fiduciary obligation to hold any invention made for the benefit of the employer, it is not surprising that senior management and staff employed to carry out research are commonly required to enter into employment contracts in which the employer's expectations are clearly expressed.



BETWEEN

PHILIP JOSEPH LEEMING and STEWART JOHN KNIGHT

AND

FUCHS LUBRICANTS (AUSTRALASIA) PTY LTD

AND

HUNTSMAN CORPORATION AUSTRALIA PTY LTD

DEED OF ACKNOWLEDGEMENT

DEED OF ACKNOWLEDGEMENT

THIS DEED OF ACKNOWLEDGEMENT is made the 1st day of November 2003

BETWEEN: **PHILIP JOSEPH LEEMING** ("Leeming") of 60 Rembrandt Drive, Merewether Heights, New South Wales 2291, Australia, and **STEWART JOHN KNIGHT** ("Knight") of 34 Walkern Road, New Lambton Heights, New South Wales 2305, Australia (hereinafter collectively referred to as "the Fuchs Inventors") of the first part

AND: **FUCHS LUBRICANTS (AUSTRALIASIA) PTY LTD** (A.C.N. 005 681 916) of 49 McIntyre Road, Sunshine, Victoria 3020, Australia (hereinafter referred to as "Fuchs") of the second part

AND: **HUNTSMAN CORPORATION AUSTRALIA PTY LTD** (A.C.N. 083 984 187) of Newsom Street, Ascot Vale, Victoria 3032, Australia (hereinafter referred to as "Huntsman") of the third part

WHEREAS:

- A. The Fuchs Inventors are employees of Fuchs.
- B. The Fuchs Inventors have made jointly with others an invention entitled "*Composition, Compounds and Methods for their Preparation*" ("the Invention") which is the subject of Australian Patent Application No. 2002953252 ("the Application") in the name of Huntsman.
- C. Pursuant to a Points of Agreement dated 8 November 2002 Fuchs has agreed to assign to Huntsman all of its right, title and interest in and to the Invention.
- D. The Fuchs Inventors and Fuchs wish to confirm Huntsman's rights in the Invention.

NOW THIS DEED WITNESSETH as follows:

1. The Fuchs Inventors hereby acknowledge that the Invention was made by them in their capacity as employees of Fuchs and in the ordinary course of their ordinary duties of employment with Fuchs.
2. The Fuchs Inventors further hereby acknowledge that as a result of their employment with Fuchs all right, title and interest in the Invention, including but not limited to the right to apply for a patent in respect of the Invention either presently existing or arising at any time in the future, is vested in Fuchs absolutely.
3. The Fuchs Inventors hereby assign to Fuchs all of their right, title and interest (if any) now subsisting in the Invention.
4. Pursuant to The Points of Agreement dated 8 November 2002 and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Fuchs, Fuchs hereby assigns to Huntsman all its right, title and interest in the Invention whatsoever and wheresoever subsisting or capable of being acquired throughout the world, including but not limited to all patents and other forms of legal protection applied for anywhere in the world in respect of the Invention, and the right, either presently existing or arising at any time in the future, to make application for and obtain patents and legal protection anywhere in the world in respect of the Invention, specifically including the right to file applications for patents.
5. The Fuchs Inventors and Fuchs will at the request of Huntsman do all such further things and execute all such further documents as Huntsman may from time to time require for the purpose of confirming or recording its title to the Invention in any part of the world.
6. This Deed shall be governed by and construed according to the laws of the State of Victoria, Australia.

IN WITNESS WHEREOF the parties hereto have executed this Deed the day and year first hereinbefore written.

SIGNED, SEALED and DELIVERED)
by the said PHILIP JOSEPH LEEMING)
in the presence of:

Witness
Name (printed):

PHILIP JOSEPH LEEMING

SIGNED, SEALED and DELIVERED)
by the said STEWART JOHN KNIGHT)
in the presence of:

Witness
Name (printed): P.J. LEEMING

STEWART JOHN KNIGHT

EXECUTED for and on behalf of)
FUCHS LUBRICANTS)
(AUSTRALASIA) PTY LTD by its duly)
authorised officer in the presence of:)

Witness
Name (printed): P.J. LEEMING

Name (printed): STEWART KNIGHT
Position held: DEPUTY MD.

EXECUTED for and on behalf of)
HUNTSMAN CORPORATION)
AUSTRALIA PTY LTD by its duly)
authorised officer in the presence of:)

Witness
Name (printed): Robert Armour

Name (printed): ANDREW JOHN CURRIE
Position held: GENERAL MANAGER

Express Mail No. EV561558511US
PATENT

PATENT COOPERATION TREATY

07 APR 2006

Applicants : Philip J. Leeming et al.
Int'l Application No. : PCT/AU2003/001646
U.S. Application No. : 10/538,249
Int'l Filing Date : December 9, 2003
Title : COMPOUNDS AND COMPOSITIONS FOR USE AS FOAMING OR
FROTHING AGENTS IN ORE AND COAL FLOTATION

Docket No. : 470044.406USPC
Date : April 6th, 2006

Mail Stop PCT
Commissioner for Patents
PO Box 1450
Alexandria, VA 22313-1450

DECLARATION OF STEWART J. KNIGHT IN SUPPORT OF
PETITION UNDER 37 C.F.R. §1.47(a)

Commissioner for Patents:

I, Stewart J. Knight, hereby declare:

1. I am Deputy Managing Director of Fuchs Lubricants (Australasia) Pty Ltd. ("Fuchs").
2. Philip J. Leeming ("Mr. Leeming"), a joint inventor and former employee of Fuchs, has refused to execute a Declaration and Assignment for the above-referenced application.
3. Mr. Leeming, in part, made the invention that is the subject matter of the above-referenced application (the "Invention") during his period of employment, and in the

ordinary course of his duties of employment as R & D Manager at Fuchs. The invention was conceived and reduced to practice in Australia.

4. By virtue of Australian common law an employer owns the entire right, title and interest in and to any inventions made by employees of the employer during their period of employment, and in the ordinary course of their duties of employment at the employer. The employee is also obliged to sign such documents and do such things necessary to perfect the employer's right to the invention. Accordingly, Mr. Leeming is under an obligation to execute the Declaration and Assignment for the above-referenced application.

5. By virtue of a Deed of Acknowledgement dated 1 November 2003 between Fuchs and Huntsman Corporation Australia Pty Ltd ("Huntsman"), Fuchs assigned to Huntsman all of its right, title and interest in the invention.

6. Mr. Leeming is a citizen of Australia and his last known mailing address is the following:

60 Rembrandt Drive
Mereweather Heights
New South Wales
Australia 2291

7. Attached hereto are copies of the following correspondence between Mr. Leeming and Lisa Smith, Office Administrator of Fuchs, Dr. Elizabeth Tasdelsen, Technical Director of Huntsman and myself. This correspondence evidences Mr. Leeming's refusal to execute the Declaration and Assignment for the above-referenced application.

a. Letter dated August 11, 2005 from Lisa Smith to Mr. Leeming sending him the Assignment and Declaration for his signature.

b. Letter dated December 22, 2005 from myself to Mr. Leeming once again sending the Assignment for signature.

c. Letter dated January 4, 2006 from myself to Mr. Leeming once again sending the Assignment and Declaration, and further noting that if the signed documents are

not received within 10 working days, it will be considered an as indication that he has refused to sign them.

d. Email message dated January 12, 2006 from Dr. Elizabeth Tasdelsen to Mr. Leeming attaching a copy of the published international application in response to his request for the same on January 5, 2006.

e. Letter dated January 16, 2006 from Mr. Leeming to myself requesting a copy of the above-referenced U.S. application, the corresponding published international application, any other related documents and clarification regarding the consideration referred to in the Assignment.

f. Letter dated January 27, 2006 from myself to Mr. Leeming responding to the matters raised in Mr. Leeming's letter dated January 16, 2006.

g. Email message dated February 3, 2006 from Mr. Leeming to myself stating that he is seeking further advice from his patent attorney.

h. Email message dated February 20, 2006 from Mr. Leeming to myself requesting further financial compensation from Fuchs before he would sign the documents.

I further declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further, that these statements were made with the knowledge that the making of willfully false statements and the like is punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and may jeopardize the validity of any patent issuing from this patent application.

6th April 2006
Date


Stewart J. Knight



11 August 2005

Mr P Leeming
60 Rembrandt Drive
MEREWETHER HEIGHTS NSW 2291

**Re: National Phase Entry
International Patent Application PCT/AU2003/001646
Assignment and Declarations**

Dear Phil

Please find enclosed listed documents:

1. Canada – Assignment
2. US – Assignment
3. US – Declaration


These documents are forwarded to you at the instruction of Hunstman who request your signature and return to them at the following address:

HUNSTMAN Performance Products
Gate 2 Newsom Street
ASCOT VALE VIC 3032.

Yours sincerely
FUCHS LUBRICANTS (AUSTRALASIA) PTY LTD

Lisa Smith
OFFICE ADMINISTRATOR


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Facsimile: 08 9091 0216

AUCKLAND
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Facsimile: 09 820 3643

MACKAY
Telephone: 07 4944 0033
Facsimile: 07 4944 1066

FUCHS LUBRICANTS (AUSTRALASIA) PTY LTD

ABN 88 005 681 916



Sent by reg mail

22nd December 2005

Mr. Philip J Leeming
60 Rembrandt Drive
Merewether Heights
NSW 2291

Dear Phil

USA Patent Assignment

Please find enclosed a copy of the USA Patent Assignment form which requires your signature.

Would you please sign and return to Liz Tasdelen, Technical Director, Huntsman Corporation Australia Pty Ltd, Gate 2, Newsom St, Ascot Vale, Victoria 3032.

If you have any queries Liz can be contacted on 03 92725325.

Yours sincerely

Stewart Knight
Deputy Managing Director



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www.fuchs.com.au



4th January 2006

Mr. Philip J Leeming
60 Rembrandt Drive
Merewether Heights
NSW 2291

Dear Phil

USA Patent Assignment

Further to my letter of 11 August 2005 and subsequent reminder dated 22 December 2005, I enclose a further copy of the US Assignment and US declaration forms in support of US Patent application No. 10/538249. I would be grateful if you could sign the Assignment and Declaration forms where indicated and subsequently return them to Dr. Liz Tasdelen at Huntsman. I have enclosed a self-addressed envelope to assist in the return of the signed documents.

If Dr. Tasdelen does not receive the signed documents within 10 working days from the mailing of this letter, this will be considered as an indication that you have refused to sign them.

Please do not hesitate to contact Liz on 0399336655 if you have any questions or comments in relation to this matter.

Yours sincerely

Stewart Knight
Deputy Managing Director



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Mathew Lucas

From: Elizabeth E Tasdelen [elizabeth_tasdelen@huntsman.com]
Sent: Thursday, 12 January 2006 3:52 PM
To: phil.leeming@hunterlink.net.au
Subject: Fw: PCT/AU2003/001646



DOC060105-001.pdf
f (1 MB)

Dear Phil,

Thank you for your call on 5 January following your receipt of the inventor and assignment declaration sign off reminder letter and forms.
As promised, please find attached electronic copy of the published International application: (See attached file: DOC060105-001.pdf)

As we discussed, the signing of the declarations is a formality however we will need to know whether you will be signing these declarations. If we have not heard back from you by this Monday 16 Jan, we will assume you are refusing to sign these declarations.

In the meantime, please don't hesitate to call me if you have any queries.

Best Regards,

Liz Tasdelen
Huntsman Corporation Australia
Phone: (61 3) 9933 6655
Fax: (61 3) 9933 6600
Mobile: 0414 386 356

Phil Leeming
60 Rembrandt Drive,
Merewether Heights,
New South Wales 2291
Tele. No. 02 49632057
Mob. No. 0418680950
16th January 2006

Mr. Stewart Knight
Fuchs Australasia Pty Ltd.
2 Holland Street
Wickham
New South Wales 2293

USA Patent Assignment

Dear Stewart,

I acknowledge receipt of your letter of the 4th January 2006.

While I have no objection to signing the declaration enclosed with your letter, before doing so I require you to provide the following: -

- (1) Copies of the U.S. Application No. 10/538,249, International Application No. PCT/AU2003/001646 and Australian Application No. 2002953252.
- (2) Any other documents in support of these applications.
- (3) Your clarification as to the good and valuable consideration, referred to in the deed of assignment.

On receipt of your favourable response, your request for execution of your documents will be considered further.

Please do not hesitate to contact me by telephone if you have any questions or comments in relation to this matter.

Yours sincerely,
Phil Leeming



27th January 2006

Mr. Philip J Leeming
60 Rembrandt Drive
Merewether Heights
NSW 2291

Dear Phil

USA Patent Assignment

Thanks for your e-mail letter dated 16 January 2006 to which I refer.

I understand from Dr. Elizabeth Tasdelen of Huntsman that a copy of the specification was forwarded to you in an e-mail dated 12 January 2006. Nevertheless, in relation to points (1) and (2) of your letter, I enclose electronic copies of the specification in relation to PCT/AU2003/001646 and the filing particulars in relation to this application and the corresponding US and Australian cases. Presently, the specifications in relation the US and the Australian cases are the same as the PCT specification provided.

As you may be aware by operation of law an employer owns an invention made by an employee in the ordinary course of his/her employment and that the employee is obliged to sign such documents and do such things necessary to perfect the employer's rights. Accordingly, in relation to point (3) of your letter the "good and valuable consideration" refers to your remuneration as an employee of Fuchs during which time the invention was made. I trust that this answers your question on this matter.

Please send the signed documents (US assignment and Inventor Declaration, a further copy of which is enclosed) to Dr. Elizabeth Tasdelen, at Huntsman Corporation Australia Pty. Ltd., Newsom Street, Ascot Vale, Victoria, 3032.



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If these signed documents are not received by Dr. Tasdelen by the close of business Friday 4th February 2006, I will assume that you have refused to sign the documents.

Yours sincerely

A handwritten signature in black ink, appearing to be "SK" with a stylized flourish.

Stewart Knight
Deputy Managing Director

Mathew Lucas

From: Elizabeth E Tasdelen [elizabeth_tasdelen@huntsman.com]
Sent: Tuesday, 7 February 2006 3:23 PM
To: Mathew Lucas
Cc: Sam Lazzaro
Subject: Fw: USA Patent Assignment on Flotation Frother

Dear Mat,

As discussed please find attached correspondence from Phil Leeming to Stewart Knight at Fuchs.

Regards,
Liz

----- Forwarded by Elizabeth E Tasdelen/AU/SFC/HUNTSMAN on 07/02/2006 03:21 PM -----

"Stewart Knight"
<Stewart.Knight@fuhs.com.au> To: "Elizabeth E Tasdelen" <elizabeth_tasdelen@huntsman.com>
cc: "Sam Lazzaro" <sam_lazzaro@huntsman.com>
Subject: FW: USA Patent Assignment on Flotation Frother
03/02/2006 01:32 PM

Dear Liz

Please note Phil Leeming's response below and advise.

Kind regards

Stewart

-----Original Message-----

From: Phil Leeming [mailto:phil.leeming@hunterlink.net.au]
Sent: Friday, 3 February 2006 1:15 PM
To: Stewart Knight
Subject: USA Patent Assignment on Flotation Frother

Dear Stewart,
I have taken legal advice in this matter and I am seeking further advice from my Patent Attorneys next week.
Upon receipt of their advices I will be corresponding with yourself by the 21st February 2006.

Yours sincerely,
Phil Leeming

-----Original Message-----

From: Phil Leeming [<mailto:phil.leeming@hunterlink.net.au>]

Sent: Monday, 20 February 2006 9:53 PM

To: Stewart Knight

Subject: USA Patent Assignment on Flotation Frothers

Dear Stewart,

Further to my e-mail of the 3rd February 2006.

I advise that according to the advice received from my patent attorneys, I continue to have proprietary rights in the patent documents PCT/AU2003/001646, PCT/WO2004/052815 A1, Australian Patent Application Number 2003302899 and US Application Number 10/538249 as a result of my involvement in the development of the foaming or frothing agents in ore and coal flotation.

This advice appears to be reinforced by your numerous attempts to have me execute the deed of assignment.

However with this in mind, I am willing to execute the deed of assignment, provided that I am adequately recompensed in doing so. This is in line with the reference to the consideration referred to in the deed of assignment.

Would you please give this matter your urgent attention and let me have your response as soon as possible.

Yours sincerely,
Phil Leeming